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ABSTRACT

New York state established several types of grants to improve local educational practice, and three are examined in this report: Developer grants, Demonstrator grants, and Replicator grants. Policy evaluation performed at the level of a grants administration agency requires many types of data collection and analysis. This study compares the relative effectiveness of grants for the development of projects with grants for adoption of projects by using the dependent variable of grant award amount. The question of whether it was more efficient to improve local educational practice by awarding only Developer grants (the ESEA Title III model) or by awarding grants for Demonstration and Replication (the ESEA Title IV-C model) was specifically addressed. Discussion of the influences on program administration and on the grant awards over the past five years are provided. An indication of the necessity to continue Developer grants along with grants for adoption is included. (Author/GK)

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Transferring Educational Success: Is the ESEA Title IV-C Model More Cost Effective Than The Title III Model In New York State?

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SUMMARY

ESEA Title IV-C authorizes states to establish a grants competition for the improvement of local educational practice. Public school districts are eligible to compete for funds under priority areas established by both Federal and State governments. Federal regulations permit each state a great deal of latitude in how to structure and administer the competition. New York State established several types of grants, and three are examined in this report: Developer grants, Demonstrator grants, and Replicator grants.

Policy evaluation performed at the level of a grants administration agency requires many types of data collection and analysis. This study compares the relative effectiveness of grants for the development of projects with grants for adoption of projects by using the dependent variable of grant award amount. The question of whether it was more efficient to improve local educational practice by awarding only Developer grants (the ESEA Title III model) or by awarding grants for Demonstration and Replication (the ESEA Title IV-C model) was specifically addressed.

Grants for the development of 177 projects averaged approximately $100,000 for their period of development (between one and five years). Grants for the adoption of 923 projects averaged approximately $20,000, yielding an efficiency ratio of 5 to 1 with the current program administration procedures. Discussion of the influences on program administration and on the grant awards over the past five years are provided. An indication of the necessity to continue Developer grants along with grants for adoption is included.

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The design of an open grants competition must take into account factors of grant type, priority areas for funding, grant award amount, and grant duration to fulfill the intent of authorizing legislation. The Elementary and Secondary Education Act (ESEA) of 1965 allocated money to each state for the purpose of establishing a competitive grant round for public schools under Title III. The purpose of the competition was to encourage the development of innovative and exemplary educational practices by school districts. New competitions were held each year under Title III until 1976, when Title III was replaced by Title IV, Part C (Title IV-C). One impetus for the legislative changes in ESEA Title III came from the RAND study (1975 pp. 53-57) which indicated that one of the hoped for results of Title III, the spread of good ideas to new schools, was not taking place. Although educators in the districts developing the projects remained enthusiastic about the project, new schools were not adopting the project. Title IV-C maintained the competitive aspect of Title III, but slightly altered the purpose of Title III to that of "improving educational practice." Thus, grants could be given for adopting exemplary educational practices as well as for developing exemplary educational practices. Now that Congress is considering establishment bloc grants to states, it becomes important to determine whether the Title IV-C model of adoption and development is superior to the Title III model of development for producing needed changes in educational programs offered by schools.

This investigation was conducted under the assumption that the money within the bloc grants would be distributed to school districts to improve educational programs, and that the mechanism would be a choice between the Title III or the Title IV-C models. Both models require the local educational agency (LEA) to submit a proposal containing information relating to needs, planning processes, objectives, activities, evaluation strategies, and a budget. Proposals would be read and rated at the State Eduation Department (SED), and successful applicants would undergo both program and budget negotiations.

Contrasting the two models should be performed with variables of effectiveness and cost, since both are important from the perspective of a State Education Agency. From the fiscal standpoint SED wishes to maximize the number of educational programs to be changed. Thus, the amount of money which is necessary to act as an incentive for program development or modification is an important consideration in a grant competition. Program effectiveness is also important and may be examined from program continuation following the termination of external funding. If programs are not seen as successful by district staff, the programs will be terminated and a reversion to programs previously in existance will occur. Programs which are viewed as successful may continue unaltered, or they may continually evolve within the district.

The Title IV-C and Title III Models

With the inception of Title IV-C, New York State initiated Transferring Educational Success as a model for effecting needed program change in public schools. Transferring Educational Success is a model incorporating development, validation, demonstration, and replication as separate stages.

Developer grants are awarded to certain school districts with educational needs which fall within priority areas specified for the year in which the grant is first sought. Each program developed under one of these grants addresses the needs of the State-identified priority area with an innovative approach. The purpose of these grants is to develop new answers to problems, not to continue programs which have already been developed. During its second or third year of funding, a successful Developer program is expected to apply for Validation. (NYSED, 1979)

Validation is a review process conducted by SED in which a program's effectiveness is vigorously examined. Documentation of the program components and its evaluation and cost are reviewed by a panel of external specialists who determine if standards of quality have been attained. Programs which achieve validation are encouraged to prepare Demonstration grant applications (NYSED, 1979).

Demonstration grants are awarded for the purpose of guaranteeing that the people most knowledgeable about a program will be available to provide the necessary training and technical assistance for the replicating district. The demonstrator must

prepare staff training materials as well as "hands-on" materials for the target group (NYSED, 1979).

Districts which have a need for a particular type of program become aware of the availability of pertinent programs through publications of SED and the Demonstration districts, and through special awareness conferences sponsored by SED. These districts then submit proposals called Replication proposals to adopt the program most suited to their needs. Successful applicants are awarded small amounts of money for staff training, materials acquisition, evaluation assistance, and pilot implementation of the project. Full scale adoption is seldom funded with a Replication grant (NYSED, 1979).

The IV-C model provides an opportunity for programs to be developed, demonstrated, and replicated with external funds. In addition, technical assistance and monitoring of all phases are provided by SED. In contrast, the Title III model provides only for development. Thus, this study addresses whether the use of money for adoption is a cost-effective alternative to using money for development.

Methodology

A grants administration agency must consider both the quantity and quality of what it can purchase with the amount of money at its disposal. Large grant awards mean fewer grant awards in any given year. But grant awards which are too small may result in bad public relations and a lack of acceptance of the worth of the program, and may prevent adequate quality in development or adoption. Thus, the State Education Agency must attempt to provide a sufficient amount of money for a project without appearing stingy, but not enough to appear wasteful. The Title IV-C program in New York State has achieved an adequate balance in size of grant award, since the number of applications for Demonstrator grants and Replication grants has been annually larger than the number which could be funded.

For this study the independent variable was the type of model, and the dependent variable was chosen to be the cost to SED for implementing the typical project involving either development or adoption. This cost incorporates the size of grant award and technical assistance external to SED, but does not include administrative costs within SED itself.

The cost of development was determined by totalling the grant awards for each Developer project initiated during 1976 and 1977. projects initiated during these two years had completed development by 1981. Grants were renewed from two to four times, and each renewal required a proposal detailing continued need etc. The duration of development ranged from one to five years. The cost of development was taken to be the Title III model.

The cost of adoption incorporated four components: validation, demonstration grants, replication grants, and technical assistance. Validation costs to SED were derived from the honoraria and travel expenses of the Validation Team which visited the site. These costs averaged $1,000 per demonstration project, and were prorated across all replication grants awarded for the demonstration project. Technical assistance costs were similarity computed and prorated across all replication grants awarded for the demonstration project. The costs of demonstration were determined by totalling the grant awards to the demonstration district for the period of demonstration (one to five years). Similarly, the total cost for Replication grants was computed for each demonstration project by summing the respective grant awards each year. Some demonstration projects lasted only one year while others lasted up to five years. The period of 1976-1981 was used as the basis for computing costs of adoption. Estimates for the cost of adoption may be conservative due to the fact that some of the demonstration grants were included before their period of demonstration expired resulting in fewer replication grants than would be expected.

Administrative costs for conducting the whole grant program have not been included above. In addition to the local assistance funds provided by the Federal government for Title IV-C, there is a fixed percentage for administration which is provided to each state. This amount remains constant without respect to the number or type of grant awards made. Therefore, these costs would not be different for the operation of either model (Title III or Title IV-C), and should not be included in any comparisons.

Results

The cost of development for 177 Developer projects initially funded during 1976 and 1977 was $92,677. The range of grant awards extended from $5,000 to $395,534 for projects whose duration was from one to five years. One hundred seventeen

developer grants were initiated during 1976 and an additional 60 were initiated in 1977.

Table 1 reports the duration of each type of grant examined in this study. For example, most Developer grants lasted three years, but the typical Demonstration grant lasted either two or four years. More than 90% of both types of grants lasted from two, three, or four years. All Replication grants were funded for only one year.

Insert Table 1 about here

Demonstration was conducted by specific districts for between one and five years for particular projects. Many of the Demonstrators will continue operations in FY 81. For this report, nine Demonstrators (some special cases were eliminated from this study) were started in FY 76, 34 in FY 77, six in FY 78, and 18 in FY 79. During FY 78 three of the Demonstrators ended. Another five ended in FY 79, and seven more ended in FY 80. Thus, the number of Demonstration projects funded for FY 76-80 were 9, 43, 46, 52, and 45 respectively. During the corresponding time periods those same Demonstrators serviced 39, 172, 238, 265, and 209 Replication projects (see Table 2).

Table 2 also reports the number of adoptions and average cost of adoption in more detail. For example, in FY 76 the mean adoption cost was $15,436. In FY 77 the mean cost lowered to $13,040 for districts replicating the same projects. The number of Replication grants increased, but the number of Demonstration grants remained the same. New Demonstrators serviced nearly three times as many Replication projects that same year for a mean cost of $16,185. The column on the right hand side of Table 2 represents the mean cost of replication for Demonstrator projects initially funded during the year indicated on the far left. These figures were derived from adding the total cost for adoptions during each year, and dividing by the number of years. The average cost of adoption for Replication grants awarded each year from 1976 to 1980 is given at the bottom of the Table. Nine hundred twenty-three adoptions averaged less than $17,000. The Grand Mean was found by adding the totals for each fiscal year and dividing by the number of adoptions.

Insert Table 2 about here

Comparing the relative cost of development to the cost of adoption indicates that five adoptions can be funded including all technical assistance in the place of a single developer. Furthermore, the average adoption can be fully implemented in two years, when the typical developer project requires three years before data can be collected concerning project effectiveness.

Discussion

The cost of adoption to a grants administration agency is not easily estimated when several types of grants are given. Decisions about which projects to include for analysis depend upon the purposes for funding particular grants within each type of grant. Some Developer grants, Demonstrator grants, and Replicator grants were omitted from this analysis since they were considered atypical and unlikely to be repeated.

A second difficulty arises from the mismatch between the number of grants awarded, and the number of districts which undergo educational change from the direct application of the grant. Of the 923 Title IV-C Replication grants, approximately 70 went to consortiums of districts; generally Board of Cooperative Education Service (BOCES). For grants to BOCES, a coordinator arranges training and technical assistance for all interested districts. Group training takes place, but follow-up assistance must be repeated for each participating district within the BOCES. Advantages to this type of grant stem from the fact that only one proposal (instead of six, e.g.) is prepared, and smaller awards can be made since services can be combined. Disadvantages occur when no school gets the full degree of technical assistance it might otherwise have. Obviously a grant to a BOCES creates more work for a Demonstration project than a grant to a single district. Within the 70 consortium grants, an average of four to five districts participated, and occasionally 10 to 12 participated. Thus, the number of districts influenced by Title IV-C Replication grants were approximately 1,200. Many districts received several replication grants, and many districts have not received any grants.

Each year the Title IV-C office instituted a major change in policy for administering the Title IV-C program. The program emphases changed from Develop-

ment to adoption between FY 76 and FY 77 as evidenced by the 50% decrease in the number of Developer grants and the 380% increase in the number of Demonstration grants and 200% increase in the number of Replication grants.

The change between FY 77 and FY 78 was the funding of the Regional Facilitator and Optional Education Program Network. The costs of this network increased the average cost of adoption. Between FY 78 and FY 79 validation procedures were changed, and people external to SED were used for site visit purposes. This added cost to Demonstration and, hence, to adoption. Another change between FY 78 and FY 79 was that Demonstrators were not allowed to have Replicators during their first year of Demonstration. This policy continued between FY 79 and FY 80. Between FY 79 and FY 80 a more rigorous application review procedure was instituted with the result that many Demonstrator districts has less than their maximum allowable number of Replicators. This result also had an effect upon the cost of adoption.

One cost factor which may have had an impact upon developmental cost was the changing of priority areas for funding developer grants. Not all programs provided are expected to have equal development costs. Furthermore, the amount of money allocated to fund projects in each priority differed, as did the number of fundable projects. In FY 78 no new Developer grants were awarded, although in FY 79 and FY 80 Developer grants for projects in new priority areas were awarded again.

Another factor which influenced the size of grant awards of all types was the amount of local assistance money available. With the declining economy of the Nation since 1976, the amount of money allocated to states has remained relatively stable. Inflationary increases have required a small reduction in the amount of real money for projects, with the result that the number of projects and the size of grant awards may have had an influence on both the cost of adoption and the cost of development. Anticipated reductions in the amount of money available led to a mandatory reduction in grant awards during FY 80. This reduction was unequitably distributed among the projects within this study. Only four Developer projects were affected, but most Demonstration and Replication projects were affected by this change.

Another factor which had an influence on the cost of development and adoption was the regulation that grant awards be significantly lower in the fourth year than in

the third year for each Developer and Demonstrator project, and significantly lower in the fifth year than in the fourth year. Projects which were funded with Title IV-C money were covered by this regulation. If a project was Developed in three years, and then became a Demonstration for two years, the grant awards were reduced in size the last two years. Therefore, the mean cost of adoption was lowered for some project, but not all projects, in FY 80.

The mean costs for adoption in the bottom row of Table 2 may not reflect accurate costs for FY 78 and FY 79 for yet another reason. During those two years, first year Demonstrators were not allowed to take Replicators. For a more equitable figure, the first year Demonstration cost would have to be apportioned across all Replicators for the life of the Demonstrator. Several of the Demonstrators will be taking Replicators in FY 81, and the mean cost given in Table 2 is higher than the expected cost figure would be.

Each of the influences cited above had some effect upon the cost determination for development and adoption. The fact that some of the influences were under the direct control of the grants administration agency while others were not was immaterial, although probably typical of competitive grant programs. Program emphases were shifted to take into account the changing needs and priorities among the clientel served.

The major purpose of this study was to attempt a cost analysis for two possible program designs by a grants administration office. Although it was difficult to make precise estimates of either developmental or adoption costs, it is clear that it costs much more to develop a project than it does to adopt it. However, the difference is not as great as many people thought. Thus, educational change can be fostered in five districts by adoption for every district in which development takes place, even under a hodge-podge of program changes.

Unfortunately, only the cost factors for a grants administration agency have been considered in this report. No attempt has been made to assess the quality of development (for example: "How many developer projects were continued in the district after funding was withdrawn?"), or the quality of adoption (for example: "How many districts have maintained or expanded the project after funding was withdrawn?" and "How many districts were able to produce the same degree of effectiveness of the project as the original Developer project?")

Some preliminary results to the latter questions have been found (MAGI, 1981). A survey of Replication projects funded in previous years revealed that "approximately three-fourths of the responses received indicated that the program was either partially continued, fully continued, or expanded." On the same survey, "more than 90% of both superintendents and project directors. . . were at least somewhat satisfied with the project implementation, and saw the process as being at least somewhat effective in facilitating school improvement."

Some preliminary results to the first question can be seen from the fact that only 24 of the 177 developer projects initially funded in 1976 or 1977 were able to achieve validation. The average developmental cost was $105,000 for the 23 projects directly impacting on students. Not all of these districts have been demonstrators long enough to secure replication projects. The average duration of the projects as demonstrators will be only two years, and the average number of replicators funded will probably be 8. Thus, the cost of adoption will probably increase to about $25,000, which is still low compared to the cost of development. The break-even cost for adoptions appears to be two if the demonstration project is funded for two years, and four if the demonstration project is funded for four years.

Conclusion

Improving local educational practices can be fostered in many ways, particularly if external sources of money can be applied. Decisions on how to structure funding programs are frequently faced by State Education Departments. Programs which incorporate mechanisims to facilitate the adoption of established programs (including program awareness, staff development, technical assistance, and evaluation) can effect educational change in a cost effective manner. Providing Demonstration funds for the original Developer as well as the Replicator provides an efficient mechanism for a successful implementation of programs at new sites. The question posed by the title of this paper "Is The ESEA Title IV-C Model More Cost Effective Than The Title III Model in New York State?" can be answered with an emphatic yes, when the criteria of producing educational change are applied.

The key ingredient in transferring success is having programs available to adopt. Therefore, some money must be retained in the Title IV-C program to provide for the development of new ideas, and which can serve as replacement Demonstration projects for those Demonstrators which drop out. Obviously there are educational programs funded by sources other than ESEA Title IV-C. If these programs can meet the standards of validation, they can also enter the pool of projects available for demonstration.

Analysis of the type provided by this report cannot give any answer to the optimal allocation of funds for Development and adoption. Development money should be considered risk money, and not all programs are able to meet the standards required for validation. Only about one project in seven is submitted for validation and subsequently validated. The time period between the initial grant award for development and the grant award for demonstration averages four years. Consequently, a long lead time in planning a grant program of this nature is required.

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TABLE 1

Frequency Distributions for Duration of Grants Used in this Study

Years of Funding	Developer Grants[a]	Demonstration Grants[b]	Replication Grants[c]
1	8	2	923
2	42	23	
3	122	15	
4	4	23	
5	1	4	
Total	177	67	923

[a] Initially funded in 1976, or 1977.

[b] Initially funded in 1976, 1977, 1978, or 1979.

[c] Funded during 1976, 1977, 1978, 1979, or 1980.

TABLE 2

Number And Mean Cost Of Adoptions For
Projects Funded Between FY 76 And FY 80

Initial Year for Demonstration	Number of Adoptors and Demonstrators For Each Fiscal Year[a]					
	FY76	FY77	FY78	FY79	FY80	Total
1976	39	45	41	29	4	158
1977		127	197	186	93	603
1978			0	50	28	78
1979				0	84	84
Total Adoptions	39	172	238	265	209	923
Total Demonstrators	9	43	46	52	45	67

	Mean Cost Per Adoption					
	FY76	FY77	FY78	FY79	FY80	
1976	15436	13040	19839	20583	56723	
1977	---	16185	15291	17208	18829	
1978	---	---	b	13380	20122	
1979	---	---	---	b	19493	
Yearly Means	15436	15362	15833	16855	19994	
Grand Mean						16964

[a] Demonstrators funded initially in 1976 could have replicators for each of five fiscal years. Grants to BOCES were counted as single grants in spite of their effect on several districts.

[b] No Replication grants given for these Demonstrators.